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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

■ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1992

OR

□ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-13661

ALTERNATIVE DISTRIBUTORS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	59-1648432
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

407R Mystic Avenue, Suite 16
Medford, MA 02155
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code (617) 395-0353

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check (X) whether the registrant)1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorted period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X. No _____.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 2,985,515 shares outstanding on July 15, 1992.

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY

INDEX

		Page No.
PART I.	Financial Information	
Item 1.	Financial Statements	
	Balance Sheets May 31, 1992 (Unaudited) and February 29, 1992	3-4
	Statement of Income (Unaudited) Three months ended May 31, 1992 and 1991	5
	Consolidated Statement of Cash Flow May 31, 1992 and 1991 (Unaudited)	6
	Notes to the Consolidated Financial Statements (Unaudited) as of May 31, 1992	7-12
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	13-16
PART II.	Other Information	
Item 6.	Exhibits and Reports on Form 8-K	17

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
BALANCE SHEET
MAY 31, 1992 (Unaudited) and FEBRUARY 29, 1992

ASSETS

	MAY 31, 1992 (Unaudited)	FEBRUARY 29, 1992
CURRENT ASSETS		
Cash	$117,640	27,788
Due From Principal Stockholder	21,032	
Accounts Receivable, net of allowance for doubtful accounts of $350,000 (Note 3)	1,517,752	1,100,000
Due From R.E. Trust	20,218	
Loans to Employees		
Inventory (Note 1)	147,794	58,000
Stock Subscription Rec. (Note 2)	576,717	967,500
Prepaid Expenses	42,792	933
Tax Refund Receivable	41,873	41,873
TOTAL CURRENT ASSETS	2,485,818	2,196,094
FIXED ASSETS: (Notes 1, 3, & 5)		
Equipment	68,694	43,212
Computer Equipment	249,018	75,888
Motor Vehicles	132,330	54,607
Leasehold Improvements	274,266	274,266
TOTAL FIXED ASSETS	724,308	447,973
Accumulated Depreciation	131,824	124,424
NET FIXED ASSETS	592,484	323,549
OTHER ASSETS:		
Deferred Costs, net of Accumulated Amortization of $9048 (Note 1)	101,460	104,062
Operating Rights	896,927	
Acquisition in Progress	50,636	
Refundable Deposits	6,196	6,196
TOTAL OTHER ASSETS	1,057,218	110,258
TOTAL ASSETS	$4,135,521	$2,629,901

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
BALANCE SHEET
MAY 31, 1992 (Unaudited) and FEBRUARY 29, 1992

LIABILITIES AND STOCKHOLDER EQUITY

	MAY 31 1992 (Unaudited)	FEB 29 1992
CURRENT LIABILITIES		
Accounts Payable	$1,376,032	875,100
N/P Atlantic (LOC)	1,199,915	1,152,823
Demand Notes Payable	127,617	123,155
Payroll Taxes Payable	30,866	39,030
Current Portion of LTD (Note 5)	81,596	16,655
Accrued Income Taxes	27,443	27,443
Accrued Expenses	90,783	81,671
TOTAL CURRENT LIABILITIES	2,934,272	2,315,877
LONG TERM DEBT		
Due to Principal Stockholder		19,097
Long Term Debt, net of Current Portion (Note 5)	143,989	12,418
TOTAL LONG TERM DEBT	143,989	31,515
TOTAL LIABILITIES	3,078,261	2,347,392
PREFERRED STOCK		
Preferred Stock, $.10 par value $.80 cumulative convertible series; authorized 44,000 shares; 3000 shares issued and outstanding, (Note 7)	27,748	27,748
TOTAL PREFERRED STOCK	27,748	27,748
STOCKHOLDERS' EQUITY		
Additional Paid In Capital	1,788,847	967,500
Common Stock, $.025 par value, authorized 25,000,000 shares 2,985,515 shares issued and outstanding, (Note 1)	14,788	12,500
Retained Earnings	(774,123)	(725,239)
TOTAL STOCKHOLDERS' EQUITY	1,029,512	254,761
TOTAL LIABILITIES & EQUITY	$ 4,135,521	$ 2,629,901

ALTERNATIVE DISTRIBUTORS CORP AND SUBSIDIARY
STATEMENT OF INCOME. (Unaudited)
THREE MONTHS ENDED MAY 31, 1992 AND 1991

	1992	1991
REVENUE FROM SALES		
TOTAL SALES	33,640,107	31,990,677
COST OF GOODS		
Purchases	1,720,454	1,407,766
Freight & Transport Exp	22,699	70
Subcontract Labor	367,200	340,929
Warehouse Labor	7,341	
TOTAL COST OF GOODS	2,117,716	1,778,665
GROSS PROFIT	772,391	219,992
OPERATING EXPENSES		
Advertising	795	
Amortization Expense	2,602	
Automobile Expense	10,803	2,487
Auto/Truck Lease	3,066	3,731
Bank Charges	2,193	2,403
Courier/postage	136	
Depreciation	7,400	5,844
Dues	74	85
Equipment Rental	39	
Fees (Loans)	8,125	938
Insurance	3,483	2,716
Insurance Group	18,278	8,920
Interest Expense	39,982	28,979
Maintenance Contracts	300	
Offices Supplies	9,872	1,043
Officer Salary	7,162	7,000
Payroll	51,306	30,436
Payroll Taxes	7,280	7,164
Penalties	4,560	371
Permits & Licenses	300	30
Postage	2,345	1,599
Professional Fees	120,500	21,308
Printing Costs	8,917	8,186
Rent	30,540	27,930
Repairs & Maintenance	1,747	1,139
Rubbish Removal	54	553
Security	180	
Selling Expense	791	
Subcontract Services	18,268	
Taxes, Other	2,001	417
Telephone	7,402	5,408
Travel & Entertainment	5,978	4,687
Utilities	2,680	4,324
TOTAL OPERATING EXPENSE	383,993	175,806
INCOME (LOSS) FROM OPERATIONS	(61,601)	44,186
Miscellaneous Income	12,717	18
INCOME BEFORE TAXES	(48,884)	44,204
PROVISION FOR TAXES		11,051
NET INCOME (LOSS)	(48,884)	33,153

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOW
MAY 31, 1992 AND 1991 (Unaudited)

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	($48,884)	$33,153
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and Amortization	10,002	5,844
(Increase) Decrease in Accounts Receivable	(417,752)	1,758
(Increase) in Inventory	(89,794)	
Decrease in Stock Subscripion Rec.	390,783	
(Increase) in Prepaid Expense	(41,859)	(7,109)
(Increase) in Security Deposit		
(Increase) in Due From Principal Officer	(21,032)	
(Increase) in Due From R.E. Trust	(20,218)	
(Increase) in Loans to Employees		(2,000)
Increase (Decrease) in Accounts Payable	500,932	(21,312)
Increase in Accrued Taxes		2,087
Increase in Payroll Taxes Payable	(8,144)	
(Decrease) in Due to Principal Officer	(19,087)	
Increase in Accrued Expenses	9,112	
Net Cash (Used) by Operations	244,049	12,421
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets,	(278,335)	
Acquisition Costs	(50,636)	
Operating Rights	(896,927)	
Net Cash (Used) by investing activities	(1,225,898)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of credit	47,092	11,444
Proceeds from Demand Notes	4,462	
Net Proceeds (Payments) on Notes Payable	196,512	(7,766)
Proceeds from Common Stock	823,635	
Net Cash provided by financing activities	1,071,701	3,678
NET INCREASE IN CASH	89,852	16,099
CASH, BEGINNING OF YEAR	27,788	5,913
CASH END OF YEAR	$ 117,640	$ 22,012
SUPPLEMENTAL DISCLOSURES		
Interest Expense		$ 29,579
Income Taxes	$39,992	$ 33,152

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
As of May 31, 1992

Note 1 - Summary of Significant Accounting Policies:

Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended May 31, 1992 are not necessarily indicative of the results that may be expected for the year ended February 28, 1993. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended February 29, 1992.

During the fourth quarter of the fiscal year ending February 29, 1992 there was a reduction adjustment to sales of $427,000 and the establishment of an allowance for doubtful accounts of $350,000.

Business recapitalization

On August 7, 1991, the Company issued 48,185,831 shares (74.3%) of its common stock in exchange for all of the issued and outstanding common stock of the subsidiary in a tax-free reorganization wherein the subsidiary became a wholly-owned subsidiary of the Company. Where the ownership and operating control in the combined entity reside in the shareholders of the acquired corporation, generally accepted accounting principles require that the acquired corporation (subsidiary) be treated as the purchaser for accounting purposes. Accordingly, this transaction has been accounted for as a recapitalization of Alternative Distributor Company, Inc., (the surving entity) in a manner similar to a reverse purchase.

On December 26, 1991,the registrant's Certificate of Incorporation was amended to effect three changes therein: (i) a change of name of registrant to "Alternative Distributors Corporation", (ii) a reclassification of registrant's common stock by reverse splitting the previously outstanding shares of common stock, par value $.001 per share, on the basis of one new share of common stock, par value $.025 per share for each 25

Note 1 - Summary of significant accounting policies (continued):

previously existing shares, and (iii) an increase in the authorized shares from the 2,600,000 new shares into which the previously authorized 65,000,000 were changed by the reverse split, to 25,000,000 new shares.

Prior to the acquisition, the Company acted as a holding company for its principal assets, the operating subsidiaries of Eurobuilding Corporation (EBC) and Europharmaceutical Corporation (EPC). EBC is a wholly-owned subsidiary that owns a commercial office rental property and EPC is a 51%-owned subsidiary that imports and distributes pharmaceutical products. Because each of these subsidiaries have a negative net worth and the newly organized Company had no interest in continuing the business currently carried out by either EBC or EPC, they were sold on August 31, 1991 to the former controlling stockholder of the Company for $30,000 and other contingent consideration. It was the intent of the new management to dispose of EBC and EPC immediately after the business recapitalization became effective. Accordingly, the operations of EBC and EPC from August 31, 1991 are not reflected in the accompanying consolidated financial statements and the $30,000 receivable from the former controlling stockholder, net of the Company's outstanding redeemable convertible preferred stock of approximately $27,000 became the principal net assets acquired.

Operations - The Company, a Delaware corporation, is a distributor of bread and other food products doing business in the New England states. The distribution is through independent contractors, who service specific "routes", which are owned by the Company. Such "routes" (operating rights) may be purchased or sold by the Company. The value of such "routes" is usually determined by applying a factor ranging from six (6) to fifteen (15) to the average weekly sales of a "route" for the prior year.

The Company builds franchises from certain manufacturers of the products which it distributes which the grantor may terminate with or without compensation to the company depending on the terms of the franchise agreement. Such franchise, with the consent of the franchisor, may be transferred by the Company to a third party.

Consolidation - The accompanying May 31, 1992 consolidated financial statements include the accounts of Alternative Distributors Corporation at May 31, 1992 and the three months then ended and its wholly-owned subsidiary,

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
As of May 31, 1992

Note 1 - Summary of significant accounting policies (continued):

Alternative Distributors Company, Inc. at May 31, 1992, and the three months then ended. All significant intercompany transactions and balances have been eliminated in consolidation.

On April 28, 1992, the Company acquired, in a business combination recorded as a purchase, all the assets of New England Snack, Inc., a Massachusetts corporation ("NES"), including 11 delivery routes (operating rights) and certain inventory and accounts receivable, in exchange for 91,515 shares of the Company's common stock which was traded at $9.875 to $10.5 per share on the date of acquisition and the assumption of certain liabilities of NES estimated to aggregate $401,260. Such number of shares of common stock are held in escrow and are subject to negative or positive adjustment (but not to a number in excess of 111,111 shares) in the event that the amount realized with respect to accounts receivable and inventory acquired, or required to be paid with respect to certain liabilities assumed, differ from those disclosed to the company at the time of acquisition. All accounts from April 28, 1992 to May 31, 1992 have been included.

Plant, property and equipment - Property, plant and equipment are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed by the straight-line and accelerated methods for both financial reporting and tax reporting purposes over the estimated useful lives.

Note 1 - Summary of significant accounting policies (continued):

Inventories - Merchandise inventory is stated at the lower of cost or market, determined on a first-in, first-out basis.

Deferred Costs - The Costs related to the recapitalization referenced above are being amortized over a period of 10 years.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, cash and cash equivalents are defined as demand deposits at the banks.

Note 2 - Stock Subscription Receivable:

A stock subscription receivable in the original amount of $975,000 is payable in varying installments through September 1, 1992. Of the original subscription price $398,283 has been paid through July 14, 1992.

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
As of May 31, 1992

Note 3 - Line of Credit:

The Company has a line of credit with a financial institution which provides for maximum borrowings of $1,200,000 at an interest rate of 2 1/2% over prime. The loan agreement provides that the line of credit available is based upon an amount not to exceed 75% of the Company's eligible accounts receivable, defined as those receivables which arise from normal operations, which are less than ninety (90) days from the invoice date. The loan which is due on demand is secured by accounts receivable, inventories, equipment and other property. The loans are also personally guaranteed by a principal stockholder of the Company. The outstanding balance on the line of credit at May 31, 1992 was $1,199,915.

Note 4 - Demand Notes Payable:

Demand notes payable consisted of the following at May 31, 1992:

Uncollateralized Promissory note payable on demand dated November 26, 1991.	$ 3,090
Uncollateralized Promissory note payable on demand dated November 15, 1991.	8,000
Uncollateralized Promissory note payable on demand dated March 23, 1992	10,000
Uncollateralized Promissory note payable on demand dated March 20, 1992	20,500
Financing agreement under which the borrowings are based on accounts receivable of an affiliate, payable on demand, with an interest rate of prime + 3%	86,027
Total	$127,617

Note 5 - Long-term Debt:

Long-term debt consisted of the following:

Note payable in monthly installments of $5,554 including interest at 11.11%. This loan is collaterallized by equipment	$199,944

Note 5 - Long-term Debt (continued):

Note payable in monthly installments of $750 including interest at 15% . This loan is collaterallized by equipment	16,310
Note payable in monthly installments of $38 including interest at 15% . This loan is collaterallized by equipment	140
Note payable in monthly installments of $484 including interest at 16% . This loan is collaterallized by a motor vehicle	8,991
Total long-term debt	225,585
Less current portion	81,596
Total due after one year	$143,989

Long-term debt is payable in each of the next five years as follows:

May 31, 1994	$77,341
May 31, 1995	66,648
Total	$143,989

Note 6 - Related Party Transactions:

Rent expense:

Rent expense is paid to Reitman Trust , an entity which is controlled by the Company's principal stockholder. Rent expense for the three months ended May 31, 1992 was $24,242. The rental lease agreement is negotiated on a year to year basis.

Due from principal stockholder:

The Company's principal stockholder has received loans from the Company, which total $21,032 at May 31, 1992 and are non-interest bearing.

ALTERNATIVE DISTRIBUTORS CORPORATION AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
As of May 31, 1992

Note 7 - Redeemable Preferred Stock:

At May 31, 1992, the Company had 3,000 shares of its $.80 cumulative convertible series preferred stock outstanding. Each share of the preferred stock is entitled to cumulative semi-annual dividends at the rate of $.80 per year and is convertible into 2 shares of common stock. The liquidation preference of the preferred stock is callable, in whole or in part, by the Company at its option at any time upon 30 days prior notice. The price at which the preferred stock is callable, in whole or in part, by the Company at its option at any time upon 30 days prior notice is $10.00 per share plus accrued and unpaid dividends.

The Company has omitted dividends of $17,200 on the preferred stock outstanding at May 31, 1992. The Company will be prohibited from paying any dividends on the common stock (other than a dividend payable solely in shares of common stock) and from purchasing or otherwise acquiring for value, any shares of preferred stock. The Company is required, commencing on December 31, 1993, to set aside sufficient funds to establish a sinking fund for the redemption of the preferred stock. The preferred stock is not entitled to any voting rights. The outstanding preferred stock has not been included in common stockholders' equity because of its mandatory redemption feature.

The initial value assigned to the preferred stock is being increased to the redemption value of $10.00 per share during the period in which such stock is outstanding. Periodic accretions, based upon the "interest method" are charged to retained earnings.

As of May 31, 1992. the Company reserved 6,000 shares of common stock for issuance upon the conversion of preferred stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Quarterly period ended May 31, 1992

The Company's operating results improved significantly in the fiscal quarter ended May 31, 1992, compared with the corresponding quarter of the prior fiscal year or the overall results for the fiscal year ended February 29, 1992. Average sales have increased over 22% compared to sales for both the first quarter and total for said fiscal year, and are currently averaging about $240,000 per week, over 25% above the sales for said first fiscal quarter. Operating margins have increased to 13.6% compared with 7.6% for said fiscal year, and due to the Company's intensive efforts to accelerate the collection of its accounts receivable, the average age of such accountants receivables has decreased from 72 days for said fiscal year to 45 days at present. Notwithstanding such improved results, the Company's lending banks have required the Company to reduce its line of credit from $1,200,000 to $1,000,000 by September 1, 1992. Such reduction, which was occasioned by the inability of the Company's auditors to express an opinion regarding the Company's year-end financial statements, as explained under the caption "Fiscal year ended February 29, 1992" below, will make business difficult during the month of August unless further funds can be raised. Thereafter, however, the significantly improving cash flow from the Company's operations, mentioned above, is expected to permit the Company to redress its working capital position even in the absence of further financing.

Further funds for operations might be available to the Company from the proceeds of a substitute bank line of credit with a different bank to replace the present line of credit, or from a private placement. Although the Company is actively pursuing the possibility of such a substitute bank line, and is also exploring the possibility of a private placement, there is no assurance that either alternative will be able to be arranged.

Because of the problems identified by its accountants concerning the maintenance of financial records (see "Fiscal year ended February 29, 1992" below), the Company has retained a financial consultant to (1) institute new procedures to ensure that accounts receivable are closely monitored in the future, (2) assist in staffing the Company's bookkeeping group with experienced personnel, (3) supervise the integration of Company's below-described hand-held computer system with its internal bookkeeping, and (4) inaugurate a program for recovering receivables that the accountants have determined to be inadequately documented. The first three of such objectives are now in course of realization and the Company believes they will be achieved shortly and will result in a significant increase in revenues over the next few months. The Company also believes that such newly instituted financial controls will have the effect of decreasing the average length of time to collect its accounts receivable, which should significantly improve the Company's profit margins.

The Company has completed the installation of about half of the hand-held units for its new computer system comprising a central processing unit and individual units, including hand-held scanners, to be installed on 41 of the 52 delivery trucks used by its route drivers. The balance of such units are expected to be installed within two weeks. The trucks on which the hand-held units are being installed are generally those used to deliver bakery products, for which the system offers the greatest benefits. The scanners automatically record the number of items delivered to each customer and the amount to be billed therefor. Such system is expected to enable the Company to exert comprehensive tracking control over its inventory, while also enabling it to respond more quickly to the sales needs of customers, thereby reducing returns and spoilage. The Company expects the system will reduce the administrative costs of billing and inventory control; enable the Company to bill many customers earlier (e.g., immediately after delivery on a weekly or in some cases daily basis, rather than only on Saturdays), thereby reducing collection times; make it possible to place orders with suppliers and maintain service levels more efficiently; and assure accounting for the disposition of substantially all items of inventory. The aforesaid benefits should enhance profitability, although there is no assurance of that result.

The Company is working to change its product mix to include therein a larger proportion of snack food products, which generally produce substantially greater profit margins than the Company's bakery products, partly because such products have a longer shelf life than bakery products, but also because the demand for high quality tortilla chips and pretzels, such as those distributed by the Company, is expanding rapidly throughout the United States. Since the end of the Company's fiscal year ended February 29, 1992, the proportion of chip products and other snack foods included in the Company's profit mix increased from 20% to 31% currently and is targeted by the Company to reach 40% within the current fiscal year.

The Company expects its operating results to be enhanced during the current fiscal year due to arrangements commencing in March 1992 to resell through thrift shops food products returned by customers, which returns average about 10% of sales, mostly of bakery products. Typically, bakery products are date stamped with a date seven or eight days after the initial delivery of the products to the Company and are typically returned by customers if not sold within four or five days thereafter. Such products can be resold to thrift shops as long as at least one day remains before the stamped date. Revenues from sales to thrift shops to date have ranged from $7,000 to over $17,000 per month.

The Company's business may be affected by a current trend in the marketplace toward the establishment of club stores, which meet a portion of their capital needs through membership fees from their customers. Club stores price their products significantly below the prices of supermarkets and convenience stores for

customers, including delicatessens, diners and coffee shops, who buy products in large quantities or large unit sizes. Over the last year, about 25 such stores have been established in the Company's service area by such companies as SAMs, Costco, Pace and BJs, and that number is expected to increase substantially. Club stores are believed to have annual sales averaging in the area of $2,000,000 per store, about 65% of which is attributable to food sales.

According to Supermarket News, club stores are expected to account for about 15% of all food sales in the country by 1995. The Company believes it has positioned itself to minimize or avoid any negative impact on its business from the trend to club stores by handling the distribution of bakery items in unit sizes that club stores sell. Since the large quantities in which such stores normally buy food products from suppliers is inconsistent with the short shelf life of bakery products, the Company believes it will be able to increase its sales to such stores. At present, the Company is the only distributor that distributes bakery products directly to all four club stores listed above.

Fiscal year ended February 29, 1992

In the course of auditing the Company's financial statements for the fiscal year ended February 29, 1992, the Company's new accountants concluded that certain of the Company's financial records had not been maintain in a manner enabling such accountants to satisfy themselves as to the amounts of accounts receivable, allowance for doubtful accounts, net sales and bad debt expense. As a result, the accountants were unable to express an opinion on the Company's financial statements for the fiscal year ended February 29, 1992, during which the Company experienced substantial liquidity problems. Such problems derived from the fact that the Company was generally being required by its suppliers to pay its bills for products supplied to it within approximately 40 days of delivery. On the other hand, the Company's customers paid their bills on average about 72 days after billing, or 95 days after the Company took delivery of such products from suppliers. As a result, the Company was required to finance its receivables at its own expense for an average period of approximately 55 days, principally with bank borrowings secured by a pledge of its accounts receivable.

During the fiscal year ended February 29, 1992, for the reasons mentioned under the discussion of the fiscal quarter ended May 31, 1992, the Company changed its product mix, by increasing the proportion of snack food products from 8% to 20%.

Fiscal year ended February 28, 1991

During its fiscal year ended February 28, 1991, the Company's sales increased by approximately 40% through internal growth, primarily as a result of adding new stores and chains to its customer base. During this year, eight new routes were estab-

lished by the Company. On the other hand, the average number of days to collect accounts receivables rose from 50 days in fiscal 1990 to 73 days in fiscal 1991, reflecting the beginning of the problems the Company subsequently experienced, due in large part to its rapid growth, of finding that its procedures for booking and collecting receivables were not designed to handle the volume of business the Company was then servicing.

Fiscal year ended February 28, 1990

During its fiscal year ended February 28, 1990, the Company's sales increased by approximately 15% through internal growth, primarily as a result of adding new stores and chains to its customer base. During this year, four new routes were established by the Company. The average number of days to collect receivables remained relatively constant, dropping to 50 days in fiscal 1990 compared to 52 days in 1989.

PART II

Item 6. Exhibits and Reports on Form 8-K.

(a) Not applicable.

(b) Reports on Form 8-K.

On May 13, 1992, a report dated April 28, 1992, on Form 8-K was filed, reporting on Items 2 and 7 of the Form.

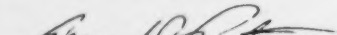
On July 13, 1992, an amendment on Form 8 to the foregoing report on Form 8-K was filed, amending Item 7 thereof and filing (i) pro forma financial statements as at February 29, 1992, and for the year then ended, reflecting the acquisition by registrant of New England Snacks, and (ii) unaudited financial statements for the fiscal years ended December 31, 1990 and 1991, of New England Snacks.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALTERNATIVE DISTRIBUTORS CORPORATION

Date: July 15, 1992

By: 

Bernard J. Reitman,
President (Principal Executive Officer; Principal Financial Officer; Principal Accounting Officer and Director)